**Bob Holden** Governor



Jacquelyn D. White Commissioner

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James A. Carder
Director
Division of Accounting

## **MEMORANDUM**

**TO:** State Agencies

FROM: OA/Accounting

DATE: September 18, 2003

**RE:** Direct Billing of Rental Vehicles

Based on a request and discussion at the September FMAC meeting, direct billing of rental vehicles is allowed. This decision is effective immediately. Travel regulations will be amended as soon as possible.

(D) For travel by rented auto, the employee will be reimbursed the actual cost of the rental plus fuel. [Direct billing is not allowed.] Weekly car rental rates will be allowed if the cost is less than the total cost of renting at the daily rate. The State Legal Expense Fund provides liability coverage for the usage of rental vehicles for official state business. For that reason, employees will not be reimbursed for any car rental insurance incurred for in-state travel. However, state immunities generally do not extend to out-of-state travel. For this reason and due to the higher costs of defending out-of-state claims, the purchase of liability insurance including damage waivers is permissible for business travel out-of-state or out-of-the-country. Usage of rental vehicles for personal activities is not covered by the Legal Expense Fund. Employees must provide at their own expense insurance coverage for personal use of rental vehicles. The Office of Administration Risk Management Section publishes a *Guide for Drivers on State Business* which describes procedures to follow should an accident occur.